

## Message Text

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ORIGIN NEA-16

INFO OCT-01 ISO-00 AID-20 DODE-00 AF-10 EB-11 PM-07 NSC-07

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NEA/EGY:NANDERSON

DOD/ISA:COL.SKOGERBOE

PM/SAS:RSMITH

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R 092025Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY TUNIS

INFO AMEMBASSY CAIRO

AMEMBASSY RABAT

C O N F I D E N T I A L STATE 096178

E.O. 11652:GDS

TAGS: PFOR, US, TS

SUBJ: TUNISIA'S UNHAPPINESS AT PROSPECTS FOR DECLINING  
U.S. MILITARY AND ECONOMIC ASSISTANCE

REF: TUNIS 2662

1. GOT REPRESENTATIVES IN WASHINGTON HAVE ALSO SHOWN SOME  
SIGNS OF ENVY OF PROSPECTIVE AID PROGRAM FOR EGYPT. WHILE  
INSISTING THEY ARE PLEASED WITH IMPROVED U.S.-EGYPTIAN  
RELATIONS, TUNISIANS ARE EXPRESSING ATTITUDE WHICH,  
HOWEVER UNDERSTANDABLE, SHOULD NOT STAND UNCHALLENGED.

2. DEPT FULLY CONCURS IN PRESENTATION MADE BY AMBASSADOR  
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TO KHEFACHA REPORTED REFTEL. AS OPPORTUNITIES PRESENT

THEMSELVES, EMBASSY, USAID AND USLOT SPOKESMEN MAY ALSO WISH TO DRAW UPON FOLLOWING POINTS TO PUT THE OVERALL PROBLEM OF U.S. ASSISTANCE TO TUNISIA IN BETTER PERSPECTIVE:

A. THE ADMINISTRATION IS SEEKING CONGRESSIONAL APPROVAL FOR TOTAL OF 250 MILLION DOLLARS IN ECONOMIC AID FOR EGYPT -- INCLUDING \$20 MILLION FOR SUEZ CANAL MINESWEEPING AND THE REMOVAL OF SUNKEN WRECKS, \$150 MILLION FOR RE-CONSTRUCTION OF THE SUEZ AREA AND GENERAL DEVELOPMENT ACTIVITIES, AND \$80 MILLION FOR IMPORTS OF U.S. ORIGIN COMMODITIES IN ORDER TO REVITALIZE EGYPTIAN INDUSTRIAL PRODUCTION.

B. THIS ASSISTANCE, AS PRESIDENT NIXON HAS SAID, WOULD BE USED "FOR THE TASKS WHICH COME WITH PEACE". WE BELIEVE THAT SUCH A PROGRAM IS IN THE INTEREST NOT JUST OF EGYPT BUT OF OTHER FRIENDLY NATIONS IN THE AREA, INCLUDING TUNISIA, AS WELL.

C. WHEREAS TUNISIA IS ABLE TO PAY FOR ITS URGENT NEEDS, EGYPT IS NOT. WE ARE CERTAIN THAT THE GOT SHARES OUR GOAL OF HELPING EGYPT REBUILD ITS WAR-TORN ECONOMY AND TURN ITS ATTENTION TO NORMAL, PEACEFUL DEVELOPMENT.

D. OVER THE YEARS, TUNISIA HAS BEEN A FAVORED RECIPIENT OF U.S. ASSISTANCE. OUR AID, AFTER CONTRIBUTING TO TUNISIAN DEVELOPMENT, HAS DECLINED DUE TO GLOBAL LIMITATION ON OUR RESOURCES, AND THE NEEDS OF OTHER COUNTRIES, MOST OF THEM FAR LESS WELL OFF THAN TUNISIA. NEVERTHELESS, WE RECOGNIZE THE NEED TO CONTINUE HELPING IN SOME AREAS AND WILL DO SO TO THE BEST OF OUR ABILITY, AS IN THE CASE OF FY1975 MAP. (IN LATER CONNECTION, GOT SHOULD BE AWARE THAT TUNISIA AND ETHIOPIA ARE THE ONLY AFRICAN COUNTRIES PRESENTLY RECEIVING MAP MATERIEL.)

E. FORTUNATELY, THE PERIOD OF DECLINING U.S. ASSISTANCE LEVELS HAS COINCIDED WITH A MARKED IMPROVEMENT IN THE TUNISIAN ECONOMY AND THE SUCCESS OF THE GOT IN ATTRACTING OTHER DONORS, INCLUDING THE WEALTHY ARAB STATES.

F. WE ARE NO LESS INTERESTED IN TUNISIAN DEVELOPMENT  
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AND SECURITY BECAUSE OF ITS ECONOMIC PROGRESS, PROGRESS WHICH WE ATTRIBUTE IN GOOD PART TO THE WISE ECONOMIC POLICIES OF THE GOT. ON THE CONTRARY, OUR INTEREST WILL BECOME ALL THE STRONGER IF TUNISIA MANAGES TO ATTAIN COMPLETE INDEPENDENCE FROM CONCESSIONAL U.S. ASSISTANCE AND DEVELOPS INTO AN IMPORTANT TRADING AND INVESTMENT PARTNER. RUSH

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## Message Attributes

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**To:** TUNIS  
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